

**Budget Coordinating Group**  
Report to the Select Board  
February 8, 2010

- Amherst has been engaged in a financial planning process since 2008 when the Budget Coordinating Group asked the Select Board to appoint a citizens committee to consider community priorities and recommend a five-year financial plan. The Community Voices/Budget Choices report was developed before the current economic recession.
- In developing the FY 2010 and FY 2011 budgets, the Town, Schools, and Library used the direction suggested in the Community Voices/Budget Choices report and implemented significant changes in programs and services before considering whether to ask voters to authorize an increase in taxes.
- The FY 2010 and 2011 budgets will be primarily balanced with substantial reductions to Town, School, and Library programs and personnel. If voters approve the override we recommend, 70% of the deficit will have been closed with spending reductions.
- In order to maintain remaining critical services, the Budget Coordinating Group recommends that the Select Board place an override on the March 23 town election ballot seeking not more than \$1.9 million for the operating budgets of the Town, elementary schools, library, and regional schools.

Additional tax revenues are required to continue essential programs that cannot otherwise be supported with reasonably projected revenues. The programs and personnel that will be affected are set forth in the prioritized lists that are attached to this report. For reasons we will explain, this recommendation does not include an exact amount. That will be determined after Amherst and Regional School Committee meetings on February 9 in order to permit final action at the February 12 Select Board meeting.

The Budget Coordinating Group (BCG) is composed of two members of the Select Board, School Committee, Library Trustees, Finance Committee, the chair of the Regional School Committee, the Town Manager, Assistant Town Manager/Finance Director, Superintendent, Director of Finance and Operations for the Amherst and Regional Schools, and the Library Director. The BCG is not a voting committee and reaches its decisions by consensus. Among the BCG's duties are serving as a clearinghouse for budget information, refining a master Town/School/Library budget development calendar, reviewing long-range financial projections, including prior years' results, current budgets, revenues/expenditures for the current and next three fiscal years, and reserves; developing a common understanding of issues related to budget priorities, developing methods of sharing resources ultimately leading to a recommended course of action, and disseminating the group's recommendations and conclusions to the public.

In 2008, The Select Board asked a citizens committee to facilitate a long range financial planning process that would consider community priorities and the financial situation confronting the Town. The committee was primarily considering the problem as structural

because expenses were increasing at a greater rate than the increase of property tax revenue according to Proposition 2½, state assistance, and other revenues. The Facilitation of the Community Choices Committee (FCCC) recommended that the problem be addressed as both an expense and a revenue problem, but suggested that expenses be addressed first by discontinuing services that are not core to the Town's mission, endeavoring to be efficient, and by controlling the growth of personnel expenses. They also recommended other steps such as seeking new nontax revenues.

By the time the FCCC issued its report on December 1, 2008, we were in a recession that affected state revenues and its capacity to provide local aid, which is the second largest component of the Town's revenues. Local aid, including state education funding, was cut mid-year during FY 2009 and for 2010. The FY 2010 budget was primarily balanced with substantial cuts to town, school and library programs. The Select Board recognized that Amherst voters would need to consider an override to continue core programs in FY 2011 and determined that the most appropriate date for an override vote would be with the March 23 annual town election. BCG was tasked with considering and recommending an appropriate override amount, form and ballot language, and to issue this report to the Select Board in time for it to place an override on the ballot.

#### BCG's process

The BCG held its initial FY 2011 budget process meeting in mid-September and laid out its mutual understandings and expectations, including the coordination and acceleration of budget calendars in order to meet the February ballot language deadline. To help ensure that key information would be relayed back to home boards and committees with consistency, this and all subsequent meetings have ended with the identification of summary points, which are then written up and distributed.

On October 15, Assistant Town Manager/Finance Director John Musante presented initial budget projections for FY 2011 to a combined meeting of all of the boards and committees. Based upon estimates of the cost to maintain services as provided in FY 2010 and assuming a further 10% reduction in state aid, he projected a deficit for FY 2011 exceeding \$4 million.

The Finance Committee, after consulting the BCG, asked that the Town Manager, Superintendent, and Library Director prepare three budgets by January 18 that would (1) maintain level services, (2) be supported with the amount of funds likely to be available without an override, and (3) with an additional 3% reduction in expenses. The Finance Committee further requested prioritized lists of programs and positions that would be cut so that the highest priorities for restoration would be evident.

The Town Manager, Superintendent, and Library Director presented the budgets to the BCG on January 21. This meeting and subsequent meetings were televised on ACTV and materials are posted on Town, School, and Library web sites to assure that the process is public and transparent. The first thing that we noted was that because the level services budgets exceeded Mr. Musante's initial estimates, the projected deficit was \$4,348,277.

The BCG concluded that this deficit could not be addressed solely with an override and that additional expense reductions were required beyond the substantial reductions implemented in FY 2010. The list of cuts presented affects numerous programs and affect people who work hard to serve our community. The police officers' union agreed to forgo previously negotiated Cost of Living Adjustments to their salaries to preserve other benefits, including the jobs of some of their members. The Town Manager's and library budgets propose no COLA increase for non-union employees and School and Library proposals recommend no COLA increases for management personnel. The BCG hopes that other bargaining units will join this effort.

Because expense cuts needed to be a significant part of the plan to close this large deficit, the next meeting, on January 26, focused on the prioritized cut lists. When they are ordered with the least desirable cuts first, these lists are restoration lists. The Town Manager, Superintendent, and Library Trustees, sitting in for the Library Director at that meeting, identified the cuts needed for the "worst case" budget (3% reduction from estimated available funds) that are essential to restore and the cuts that we "can live with." Because the schools and library provided the budgets earlier than in previous years, the Superintendent and Library Director could not consult the School Committees and Library Trustees in the development of budgets and cut/restoration lists to the extent they would have in previous years.

#### Components of the solution

On January 27, Governor Patrick released his proposed budget for FY 2011 in which he recommended no further cuts to Chapter 70 and unrestricted local aid. The Governor had previewed this recommendation at the Massachusetts Municipal Association meeting, which was also attended by leaders from the House of Representatives. Based upon both presentations, the BCG agreed that a reasonable projection for state aid is a 5% reduction from the current year. In October, Mr. Musante projected a 10% reduction. As a result, we estimate an additional \$1.1 million of revenue. That new estimate, together with the cuts we had previously identified that would be made in any event, reduced the \$4.38 million gap to \$1.9 million.

At its January 28 meeting, the BCG reviewed working lists for each operating budget of the items that would have to be cut from the "worst case" budget. The town, schools, and library can divide cuts into three groups, using a process with the elected boards and executive staff. The first group is programs and positions that can be funded without an override, based on new revenue projections in light of the Governor's proposed budget. The second group is programs and positions that would be funded by a successful override. The third group is program or staff cuts that can be implemented.

BCG members agree that the \$1.1 million realized by a projected State Aid cut of 5% rather than 10% should be distributed among the four operating budgets proportionally to current allocations. That allows for restorations of the highest priorities on each cut list, totaling approximately \$360,000 for the Town, \$400,000 for the Elementary Schools, \$250,000 for the Regional Schools assessment (Amherst share of a potential \$400,000 increase to their budget), and \$29,000 for the Libraries.

The Amherst School Committee, Regional School Committee, and Library Trustees met on February 2. The School Committees did not complete the discussion and will meet again on

February 8<sup>th</sup> and 9<sup>th</sup>. The Library Trustees determined the amount that they request from an override, if one is placed on the ballot.

We recommend that the Select Board ask the voters to override the property tax limits by not more than \$1.9 million and that these funds, if the voters approve the override, be distributed to complete the restoration of cuts that are identified as essential to restore. Because we need to hear a report from the School Committees after their February 9<sup>th</sup> meeting, we cannot be more specific in this report. The override will not be allocated to the operating budgets proportional to current allocations, but in a manner needed to meet the needs.

If voters approve the override, the additional revenue by taxation will be a smaller portion of the solution to close the gap between revenue and expenses. In two years, FY 2010 and FY 2011, the schools, town and library will have cut programs, staff, and services in a much greater amount and addressed the FCCC recommendation to discontinue services that are not core to the Town's mission, control the growth of personnel expenses, implement efficiencies, and seek new revenues. For example, the Town will seek \$484,135 from the override to support municipal functions but will have cut almost \$1.9 million from its budget in two years.

#### Override recommendation

An override under state law provides the authority to increase taxes. It does not require that taxes be increased. When you make the decision about whether to seek this override, and on March 23 when the voters make their decision, there will be information affecting the budgets that is not yet available. If there are changes that can allow the continuation of programs determined to be so essential that they should be included within an override we recommend that the Finance Committee present a budget that will only increase tax revenue that is needed for those programs. We will support that budget at Town Meeting so that when you establish the levy it will only be for the amount actually needed.

Any budget is the best estimate of revenues and expenses at the time that it is developed. The Town, schools and library have a remarkable record of accurately projecting budgets, but some changes are inevitable. For example, we project a 5% reduction in state aid despite the Governor's recommendation. The chair of the House Ways and Means Committee reminded municipal officials that the Commonwealth still confronts an estimated \$3 billion deficit in FY 2011. The legislature may be able to project state aid late in February. No amount is final until a budget is adopted which would be in July or even later. If local aid is less than we project, we will need to implement cuts from programs and personnel we have determined to be essential. If there is more local aid than we now project, we will adhere to the budget limits incorporated in our recommendation.

Another area that may affect budgets is collective bargaining. If additional unions agree to COLA concessions, thus decreasing the cost of the recommended restorations, that amount will be deducted from the requested override amount, if the agreement occurs before the ballot language is finalized on February 12 or reflected in the budgets recommended to Town Meeting. We will recommend not taxing to the full levy limit authorized by the override and not seek to spend the COLA savings on additional restorations.

The third area that might lead to changes will be priority decisions of elected boards that modify the priorities for the schools, library, and municipal services. If any budget, including the elementary and Regional School budgets, ultimately seek fewer restorations than recommended at this time, that difference will be reflected in the budgets recommended to Town Meeting. We will not recommend taxing to the full levy limit authorized by the override and will not seek to spend that savings on additional restorations.

After substantial discussion, most members of the BCG supported single ballot question specifying the amounts for Towns, Elementary Schools, Regional Schools and Libraries. We recognized that a menu override lets voters choose the areas they prioritize for funding; and allows voters who might oppose one budget area to support the others without having to vote against the entire proposal. However, a single question presents an opportunity to bring the community together to support all its services, instead of potentially pitting one against another, and is consistent with the cooperative and coordinated BCG process that considered the budget needs and priorities of all Town services. The potential for divisiveness leading up to the vote, and the bitterness afterwards if some budgets win and others lose, would be damaging to the community. As Town leaders, we seek an override because we believe the projected revenue shortfall makes it impossible to adequately fund core services town-wide. Our recommendation to the voters should offer a town-wide solution.

A pyramid override, in which a higher and lower number are offered to voters, is inconsistent with a process of identifying the smallest possible amount needed to maintain vital programs and services.

Finally, we considered projections for FY 2012 and FY 2013 and believe that if the voters support this override request, that the essential programs can be continued for the next years without an additional override. We made reasonable new growth projections and assumed a 1.5% increase in state aid in each of these years. Mr. Musante developed two projection models, one based upon our projection of a 5% reduction in state aid in FY 2011 and the other based upon the Governor's recommendation to not reduce local aid in the next year. We will need to make a concerted effort to control expense increases, including personnel expenses in the next two Fiscal Years.

We believe that our recommendation for an override for FY 2011 on March 23 is necessary and will allow the continuation of essential town, school and library programs for this three-year period.

#### Attachments

- A. Restoration lists with color coding for categories, most current version
- B. Projection worksheets, most current version
- C. How Much Would an Override Cost?

| Town |   |         |           |
|------|---|---------|-----------|
|      | Priority  | cost    | total     |
| 1    | Fire/EMTs (2)                                     | 162,799 |           |
| 2    | Fire/EMS Training                                 | 6,000   | 168,799   |
| 3    | Fire/EMS Protective Clothing                      | 2,000   | 170,799   |
| 4    | Police Officer (1)                                | 89,976  | 260,775   |
| 5    | Police Overtime                                   | 8,750   | 269,525   |
| 6    | Police Data Proc. Spec. (reduce 37.5 -->20 hrs)   | 21,361  | 290,886   |
| 7    | Police Animal Welfare Officer (to half time)      | 21,820  | 312,706   |
| 8    | Police - Extra Help - Matrons, Records            | 25,000  | 337,706   |
| 9    | Police - Gasoline                                 | 10,000  | 347,706   |
| 10   | Police - Supplies, Purch. Of Services             | 16,050  | 363,756   |
| 11   | Finance - Customer Assistant - Collector          | 52,432  | 416,188   |
| 12   | DPW Parks & Rec Laborer                           | 32,420  | 448,608   |
| 13   | DPW Highway Laborer                               | 38,004  | 486,612   |
| 14   | DPW Snow & Ice - salt and sand                    | 40,000  | 526,612   |
| 15   | Town Clerk - temp help - elections (if staff cut) | -10,800 | 515,812   |
| 16   | Town Clerk - Customer Assistant                   | 56,776  | 572,588   |
| 17   | Inspections - Extra Help - Admin Assistant        | 14,343  | 586,931   |
| 18   | Inspections - Training, Supplies, Advertising     | 3,200   | 590,131   |
| 19   | Communications Center - Dispatcher                | 44,568  | 634,699   |
| 20   | Communications Center - extra help and OT         | 15,000  | 649,699   |
| 21   | H.R. - Labor Relations Negotiator                 | 22,000  | 671,699   |
| 22   | Town Counsel - Special Counsel Services           | 15,000  | 686,699   |
| 23   | LSSE - Special Activities                         | 12,750  | 699,449   |
| 24   | LSSE - Customer Assistant - Registrar             | 61,092  | 760,541   |
| 25   | LSSE - Program Subsidies                          | 19,802  | 780,343   |
| 26   | LSSE - Training/Maintenance/Dues & Subscrips      | 5,695   | 786,038   |
| 27   | Veteran's Benefits (75% reimb. by State)          | 35,000  | 821,038   |
| 28   | Senior Center - Admin Asst. 37.5 --> 24.5         | 10,993  | 832,031   |
| 29   | Cherry Hill - Maint./Equip/Supplies               | 7,600   | 839,631   |
| 30   | Pools - Extra Help                                | 8,260   | 847,891   |
| 31   | DPW Street Lights - turn off 50%                  | 48,422  | 896,313   |
| 32   | LSSE - Mgmt Asst. - Sports Programs               | 46,396  | 942,709   |
| 33   | Health - Cambodian Outreach Wrkr - benefitis      | 14,280  | 956,989   |
| 34   | Health - Share Asst Sanitarian w/ Northmptn       | -11,543 | 945,446   |
| 35   | Health - Public Health Nurse 30 -->15             | 7,003   | 952,449   |
| 36   | IT - Delay E-mail Outsourcing                     | 20,000  | 972,449   |
| 37   | Communications - Dispatcher (to grant)            | 49,259  | 1,021,708 |
| 38   | Planning - Planning Staff (to CDBG)               | 47,819  | 1,069,527 |
| 39   | Conservation - 10% Dir. and Mgt. Asst. (to CDBG)  | 16,420  | 1,085,947 |
| 40   | HR - Soc. Justice Coord. benefits (to grant)      | 14,280  | 1,100,227 |
| 41   | Police - COLAs 3.5% --> 0%                        | 107,561 | 1,207,788 |
| 42   | Non Union - COLAs 3.5% --> 0%                     | 91,176  | 1,298,964 |
| 43   | Utilities/Other Savings                           | 72,121  | 1,371,085 |
| 44   | Health Insurance 6% --> 3%                        | 95,440  | 1,466,525 |

Assumes -5% State Aid

grouped  
cuts

Cut

Regardless

2/2/2010

## Elementary Schools

|    | Priority   | cost    | total     |                       |
|----|--|---------|-----------|-----------------------|
| 1  | ELL (0.50)   | 27,931  | 1,673,300 |                       |
| 2  | Intervention (2)   | 111,722 | 1,645,369 |                       |
| 3  | Instructional Technology (1)                             | 55,861  | 1,533,647 |                       |
| 4  | Intervention (1)   | 55,861  | 1,477,786 |                       |
| 5  | Classroom Music (0.15)                                   | 8,379   | 1,421,925 |                       |
| 6  | SE Academic (0.70)                                       | 39,102  | 1,413,546 |                       |
| 7  | Psychologist (0.40)                                      | 22,344  | 1,374,444 |                       |
| 8  | SE Therapeutic (1.10)                                    | 61,447  | 1,352,100 | Assumes -5% State Aid |
| 9  | Intervention (0.60)                                      | 33,517  | 1,290,653 | 1,286,885             |
| 10 | ELL (0.50)   | 27,931  | 1,257,136 |                       |
| 11 | SE Paraprofessional (1)                                  | 18,600  | 1,229,205 |                       |
| 12 | SE Related Services (0.40)                               | 22,344  | 1,210,605 |                       |
| 13 | Psychologist (0.50)                                      | 27,931  | 1,188,261 |                       |
| 14 | SE Clerical (1)  | 38,000  | 1,160,330 |                       |
| 15 | SE Paraprofessionals (2.50)                              | 46,500  | 1,122,330 |                       |
| 16 | Phys Ed (0.20)   | 11,172  | 1,075,830 |                       |
| 17 | Classroom Music (0.05)                                   | 2,973   | 1,064,658 |                       |
| 18 | Add Pre-K class (3)                                      | -90,000 | 1,061,685 |                       |
| 19 | Add Contracted Maintenance Svc                           | -10,000 | 1,151,685 | grouped               |
| 20 | Maintenance Staff (1)                                    | 42,700  | 1,161,685 | cuts                  |
| 21 | Cut 2 Central Office staff from full year to School Year | 8,000   | 1,118,985 |                       |
| 22 | Curriculum Program Support                               | 20,000  | 1,110,985 |                       |
| 23 | Add Program Evaluation                                   | -20,000 | 1,090,985 |                       |
| 24 | Add Curriculum Director (0.50)                           | -45,000 | 1,110,985 |                       |
| 25 | Substitute Coordinator (0.50)                            | 18,000  | 1,155,985 |                       |
| 26 | Special Ed Administrator (0.30)                          | 30,000  | 1,137,985 |                       |
| 27 | Science Coordinator (to Title 2A grant)                  | 30,000  | 1,107,985 |                       |
| 28 | Administrator and Principal COLAs                        | 16,990  | 1,077,985 | Assumes -0% State Aid |
| 29 | No Sabbaticals   | 30,000  | 1,060,995 | 1,037,099             |
| 30 | Other Expense Lines                                      | 751     | 1,030,995 |                       |
| 31 | Support Services Expenses                                | 8,190   | 1,030,244 |                       |
| 32 | Special Ed Expenses                                      | 3,200   | 1,022,054 |                       |
| 33 | Reduced Health Ins. Enrollment                           | 43,300  | 1,018,854 | Cut                   |
| 34 | Health Insurance Rate                                    | 81,000  | 975,554   | Regardless            |
| 35 | Eliminate Language Clusters                              | 15,500  | 894,554   |                       |
| 36 | Students Walk to Bus Stops                               | 18,000  | 879,054   |                       |
| 37 | Utilities Initiative                                     | 24,000  | 861,054   |                       |
| 38 | Add HEC Assessment                                       | -3,500  | 832,746   | 837,054               |

Mark's  
Meadow

|    |                                 |         |           |         |
|----|---------------------------------|---------|-----------|---------|
| 39 | Add: MM Moving/Transition costs | -90,000 | 742,746   | 840,554 |
| 40 | Clerical OT                     | 750     | 743,496   | 930,554 |
| 41 | Substitute Expenses             | 21,696  | 765,192   | 929,804 |
| 42 | Administrative Expenses         | 2,636   | 767,828   | 908,108 |
| 43 | Homework Club                   | 4,268   | 772,096   | 905,472 |
| 44 | SE Paraprofessionals (4.50)     | 83,000  | 855,096   | 901,204 |
| 45 | SE Therapeutic (0.50)           | 27,931  | 883,027   | 818,204 |
| 46 | SE Clerical (0.50))             | 19,000  | 902,027   | 790,273 |
| 47 | SE Academic Teacher (1)         | 55,861  | 957,888   | 771,273 |
| 48 | Intervention (1)                | 55,861  | 1,013,749 | 715,412 |
| 49 | ELL (1)                         | 56,722  | 1,070,471 | 659,551 |
| 50 | Custodian (1.50)                | 57,000  | 1,127,471 | 602,829 |
| 51 | Nurse (1)                       | 55,861  | 1,183,332 | 545,829 |
| 52 | Guidance (1)                    | 55,861  | 1,239,193 | 489,968 |
| 53 | Phys Ed (0.40)                  | 22,344  | 1,261,537 | 434,107 |
| 54 | Art (0.60)                      | 33,516  | 1,295,053 | 411,763 |
| 55 | Classroom Music (0.35)          | 19,551  | 1,314,604 | 378,247 |
| 56 | Classroom Teachers (4)          | 201,696 | 1,516,300 | 358,696 |
| 57 | Clerical (1.50)                 | 67,000  | 1,583,300 | 157,000 |
| 58 | Administration (1)              | 90,000  | 1,673,300 | 90,000  |

2/2/2010

## Regional Schools

|    | Priority   | cost    | total     | Net Cuts  |                       |
|----|--|---------|-----------|-----------|-----------------------|
| 1  | 7th Grade 2/5 team (1.6)                                   | 89,377  |           | 2,629,838 |                       |
| 2  | 8th Grade 2/5 team (1.6)                                   | 89,377  | 178,754   | 2,540,461 |                       |
| 3  | HS Academic Depts. (.3 Eng; .2 Soc Std; .5 Sci; .2 Math) ( | 67,033  | 245,787   | 2,451,084 |                       |
| 4  | HS Tech/Bus/Comp Dept. (0.2)                               | 11,172  | 256,959   | 2,384,051 |                       |
| 5  | MS SE Teacher/Paras (1 - 2)                                | 55,000  | 311,959   | 2,372,879 |                       |
| 6  | MS Music (0.4)   | 22,344  | 334,303   | 2,317,879 |                       |
| 7  | MS World Languages (0.4)                                   | 22,344  | 356,647   | 2,295,535 |                       |
| 8  | HS Guidance (1)  | 55,861  | 412,508   | 2,273,191 |                       |
| 9  | HS Copy Service Personnel (1)                              | 14,747  | 427,255   | 2,217,330 |                       |
| 10 | HS Academic Depts (Consolidate Chinese sections)(0.2)      | 11,172  | 438,427   | 2,202,583 | Assumes -5% State Aid |
| 11 | HS Indvlzd Reading Program - Eng Dept (0.5)                | 27,931  | 466,358   | 2,191,411 | 2,190,214             |
| 12 | HS Academic Depts (.5 Eng; .3 Soc Std; .5 Sci; .8 Math; .5 | 128,480 | 594,838   | 2,163,480 | 792,817               |
| 13 | HS Academic Depts (.5 Eng; 1 Soc Std; .5 Math) (2)         | 111,722 | 706,560   | 2,035,000 | 1,397,397             |
| 14 | MS Library (0.4)   | 22,344  | 728,904   | 1,923,278 | [A= 1,087,315]        |
| 15 | MS Math Plus (0.4)   | 22,344  | 751,248   | 1,900,934 |                       |
| 16 | HS Supplies (Tech Ed)                                      | 4,000   | 755,248   | 1,878,590 | grouped               |
| 17 | HS Tech/Bus/Comp Dept. (1.3)                               | 72,619  | 827,867   | 1,874,590 | cuts                  |
| 18 | HS Supplies (Fam & Consumer Sci))                          | 7,582   | 835,449   | 1,801,971 | grouped               |
| 19 | HS Fam & Consumer Sci Dept (2.8)                           | 156,411 | 991,860   | 1,794,389 | cuts                  |
| 20 | HS Add Elective Sections offset (1.2)                      | -67,033 | 924,827   | 1,637,978 |                       |
| 21 | HS Music Ensembles (0.7)                                   | 39,103  | 963,930   | 1,705,011 |                       |
| 22 | HS Performing Arts Dept (0.5)                              | 27,931  | 991,861   | 1,665,908 |                       |
| 23 | HS Arts Dept (0.5)   | 27,931  | 1,019,792 | 1,637,977 |                       |
| 24 | HS Phys Ed/Health Dept (0.8)                               | 44,689  | 1,064,481 | 1,610,046 |                       |
| 25 | MS Custodian (1)   | 32,000  | 1,096,481 | 1,565,357 |                       |
| 26 | MS Clerical - Front Office (1)                             | 32,082  | 1,128,563 | 1,533,357 |                       |
| 27 | MS QLC Coordinator (1)                                     | 55,861  | 1,184,424 | 1,501,275 | Assumes -0% State Aid |
| 28 | HS Dept Head Consolidation (Eng. Soc Std, Math, Sci, Wi    | 39,103  | 1,223,527 | 1,445,414 | 1,470,989             |
| 29 | HS Dept Head Consolidation (PE/FCS, Arts, Perf Arts, Te    | 45,495  | 1,269,022 | 1,406,311 | 792,817               |
| 30 | HS Special Ed Dept (2.4)                                   | 134,066 | 1,403,088 | 1,360,816 | 678,172               |
| 31 | HS Dean of Students (0.2)                                  | 15,000  | 1,418,088 | 1,226,750 | [A= 527,686]          |
| 32 | HS Prep Academy (0.2)                                      | 11,172  | 1,429,260 | 1,211,750 |                       |
| 33 | HS Professional Development                                | 6,000   | 1,435,260 | 1,200,578 |                       |
| 34 | HS Librarian (0.2)   | 11,172  | 1,446,432 | 1,194,578 |                       |
| 35 | MS Add Music (0.2)   | -11,172 | 1,435,260 | 1,183,406 |                       |
| 36 | MS Phys Ed (2.0)   | 111,722 | 1,546,982 | 1,194,578 |                       |
| 37 | MS World Languages (1)                                     | 55,861  | 1,602,843 | 1,082,856 |                       |
| 38 | MS Special Ed teachers and/or paras (2-4)                  | 110,000 | 1,712,843 | 1,026,995 |                       |
| 39 | MS Math Plus (0.6)   | 33,517  | 1,746,360 | 916,995   |                       |
| 40 | MS Reading/Writing Wkshp (0.6)                             | 33,516  | 1,779,876 | 883,478   |                       |
| 41 | MS Add Team Teachers (1.2)                                 | -66,817 | 1,713,059 | 849,962   |                       |
| 42 | MS Special Ed Secretary (0.2)                              | 9,134   | 1,722,193 | 916,779   |                       |
| 43 | MS Student Adjustment Counselor (0.8)                      | 44,688  | 1,766,881 | 907,645   |                       |
| 44 | MS Add Guidance Counselor (1)                              | -55,681 | 1,711,200 | 862,957   |                       |
| 45 | HS Supplies - library books                                | 5,000   | 1,716,200 | 918,638   |                       |
| 46 | HS Supplies - textbook                                     | 3,000   | 1,719,200 | 913,638   |                       |
| 47 | HS Guidance (1)  | 55,861  | 1,775,061 | 910,638   |                       |
| 48 | HS Administrators (Asst Prin and Ath Dir from Full year 1  | 30,000  | 1,805,061 | 854,777   |                       |
| 49 | CO 5 Central Office Staff from Full year to Schl year (0.6 | 31,960  | 1,837,021 | 824,777   |                       |

|    |   |         |           | Cut     |                    |
|----|---|---------|-----------|---------|--------------------|
| 50 | CO Add Program Evaluation                               | -20,000 | 1,817,021 | 792,817 | Regardless 792,817 |
| 51 | CO Add Curriculum Director (0.5)                        | -45,000 | 1,772,021 | 812,817 |                    |
| 52 | HS ETP Programm at GCC (counsleor in dual-enro prog)    | 40,000  | 1,812,021 | 857,817 |                    |
| 53 | HS Preschool (10% clerical slaray support to revenue)   | 4,500   | 1,816,521 | 817,817 |                    |
| 54 | HS Preschool (10% Ath Dir salary to revenue)            | 9,000   | 1,825,521 | 813,317 |                    |
| 55 | HS Athletics (portion team coaches salaries to revenue) | 50,000  | 1,875,521 | 804,317 |                    |
| 56 | HS Copy Service Personnel (1)                           | 25,092  | 1,900,613 | 754,317 |                    |
| 57 | HS Clerical (1)   | 32,082  | 1,932,695 | 729,225 |                    |
| 58 | HS Custodial (1)  | 32,000  | 1,964,695 | 697,143 |                    |
| 59 | HS Mullins Center graduation                            | 10,000  | 1,974,695 | 665,143 |                    |
| 60 | MS Tech Ed supplies                                     | 1,494   | 1,976,189 | 655,143 |                    |
| 61 | CO Substitute Coord - Reg portion (0.5)                 | 18,000  | 1,994,189 | 653,649 |                    |
| 62 | CO Production Center Staff - copying (1)                | 20,500  | 2,014,689 | 635,649 |                    |
| 63 | CO Special Ed Administrator - Reg portion (0.7)         | 70,000  | 2,084,689 | 615,149 |                    |
| 64 | CO Close East Street Campus                             | 13,000  | 2,097,689 | 545,149 |                    |
| 65 | CO Reconfigure ESAH/SAC Campuses                        | 178,000 | 2,275,689 | 532,149 |                    |
| 66 | CO COLAs (Dist Dirs, Asst Sup, HS Princ)                | 10,899  | 2,286,588 | 354,149 |                    |
| 67 | CO Close Student Services Modulares                     | 10,000  | 2,296,588 | 343,250 |                    |
| 68 | CO Health Ins. Enrollments                              | 32,500  | 2,329,088 | 333,250 |                    |
| 69 | CO Health Insurance 6% --> 3%                           | 101,000 | 2,430,088 | 300,750 |                    |
| 70 | CO Transportation Expenses (bus stops/routes)           | 130,000 | 2,560,088 | 199,750 |                    |
| 71 | CO Computer Leases (delay 1 yr)                         | 44,300  | 2,604,388 | 69,750  |                    |
| 72 | CO Instruction Technology Expenses                      | 30,000  | 2,634,388 | 25,450  |                    |
| 73 | CO Add HEC assessment                                   | -4,550  | 2,629,838 | -4,550  |                    |

Libraries

|    | Priority   | cost     | total   |
|----|--|----------|---------|
| 1  | One-week furlough - prof staff                         | 11,057   |         |
| 2  | AV Tech - cut 5 hours Fridays                          | 5,300    | 16,357  |
| 3  | Reduce 3 hrs - Spec. Collections Asst.                 | 4,900    | 21,257  |
| 4  | Cut Maint. Asst./use temp staff                        | 13,115   | 34,372  |
| 5  | Reduce Cataloging Asst. 12.5 hours                     | 8,871    | 43,243  |
| 6  | Reduce Materials Budget                                | 14,400   | 57,643  |
| 7  | Reduce AV Asst. 2.5 hours                              | 1,300    | 58,943  |
| 8  | Reduce Maint supplies/costs                            | 1,650    | 60,593  |
| 9  | Reduce tem Reference Substitutes                       | 1,000    | 61,593  |
| 10 | Cut Children's Dept temp Monday staff/shelvers         | 6,200    | 67,793  |
| 11 | Cut Tech Svcs temp staff 10 hours                      | 6,461    | 74,254  |
| 12 | Cut half Office Asst. hours and benefs/add 10.5 hourly | 14,150   | 88,404  |
| 13 | Close Friday afternoons/cut temp staff                 | 8,575    | 96,979  |
| 14 | Cut half Office Asst. hours and benefs/add 11 hourly   | 14,150 * | 111,129 |
| 15 | Eliminate COLA for temp staff                          | 3,845    | 114,974 |
| 16 | Reduce office costs/supplies                           | 2,000    | 116,974 |
| 17 | Eliminate COLA for all admin/prof staff                | 22,275   | 139,249 |
| 18 | Health Insurance 6% --> 3%                             | 7,262    | 146,511 |

MAR level

TRUSTEES 1/20/10

14,924 \*

Cut Regardless

Override Amount = \$69,137 to  
reach Municipal Appropriation Req.

| CHAPTER 70 -5%, UNRESTRICTED GEN GOVT AID -5%  |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
|--|-----------------|----------------------------|-----------|---------|--------------------------------------|-------------|---------|--------------------------------|-----------|---------|-----------------------------|-----------|---------|
|  |                 | (1)                        |           |         | (2)                                  |             |         | (3)                            |           |         | (4)                         |           |         |
|  | FY 10<br>Budget | FY 11<br>Level<br>Services | \$        | %       | FY 11<br>FinCom -3%<br>Prelim Target | \$          | %       | FY 11<br>Cuts &<br>No Override | \$        | %       | FY 11<br>Cuts &<br>Override | \$        | %       |
| REVENUES                                       |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| Base Levy                                      | 34,439,142      | 35,666,757                 | 1,227,615 | 3.6%    | 35,666,757                           | 1,227,615   | 3.6%    | 35,666,757                     | 1,227,615 | 3.6%    | 35,666,757                  | 1,227,615 | 3.6%    |
| 2.5% Allowable Increase                        | 860,979         | 891,669                    | 30,690    | 3.6%    | 891,669                              | 30,690      | 3.6%    | 891,669                        | 30,690    | 3.6%    | 891,669                     | 30,690    | 3.6%    |
| Estimated New Growth                           | 366,636         | 350,000                    | (16,636)  | -4.5%   | 350,000                              | (16,636)    | -4.5%   | 350,000                        | (16,636)  | -4.5%   | 350,000                     | (16,636)  | -4.5%   |
| General Override                               | 0               | 0                          | 0         | #DIV/0! | 0                                    | 0           | #DIV/0! | 0                              | 0         | #DIV/0! | 1,893,787                   | 1,893,787 | #DIV/0! |
| Levy Limit                                     | 35,666,757      | 36,908,426                 | 1,241,669 | 3.5%    | 36,908,426                           | 1,241,669   | 3.5%    | 36,908,426                     | 1,241,669 | 3.5%    | 38,802,213                  | 3,135,456 | 8.8%    |
| Debt Exclusion                                 | 400,837         | 352,466                    | (48,371)  | -12.1%  | 352,466                              | (48,371)    | -12.1%  | 352,466                        | (48,371)  | -12.1%  | 352,466                     | (48,371)  | -12.1%  |
| Maximum Allowable Levy                         | 36,067,594      | 37,260,892                 | 1,193,298 | 3.3%    | 37,260,892                           | 1,193,298   | 3.3%    | 37,260,892                     | 1,193,298 | 3.3%    | 39,154,679                  | 3,087,085 | 8.6%    |
| Excess Levy Capacity                           | (8,588)         | 0                          | 8,588     | -100.0% | 0                                    | 0           | #DIV/0! | 0                              | 0         | #DIV/0! |                             |           |         |
| Subtotal PROPERTY TAX                          | 36,059,006      | 37,260,892                 | 1,201,886 | 3.3%    | 37,260,892                           | 1,201,886   | 3.3%    | 37,260,892                     | 1,201,886 | 3.3%    | 39,154,679                  | 3,095,673 | 8.6%    |
| Local Receipts                                 | 7,373,016       | 7,808,008                  | 434,992   | 5.9%    | 7,808,008                            | 434,992     | 5.9%    | 7,808,008                      | 434,992   | 5.9%    | 7,808,008                   | 434,992   | 5.9%    |
| State Aid                                      | 14,278,972      | 13,607,670                 | (671,302) | -4.7%   | 13,607,670                           | (671,302)   | -4.7%   | 13,607,670                     | (671,302) | -4.7%   | 13,607,670                  | (671,302) | -4.7%   |
| Other Financing Sources                        | 4,070,326       | 3,336,222                  | (734,104) | -18.0%  | 3,336,222                            | (734,104)   | -18.0%  | 3,336,222                      | (734,104) | -18.0%  | 3,336,222                   | (734,104) | -18.0%  |
| TOTAL REVENUES                                 | 61,781,320      | 62,012,792                 | 231,472   | 0.4%    | 62,012,792                           | 231,472     | 0.4%    | 62,012,792                     | 231,472   | 0.4%    | 63,906,579                  | 2,125,259 | 3.4%    |
| EXPENDITURES                                   | %               |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| OPERATING BUDGET                               | FY 10           |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| Town   | 18,331,553      | 19,248,131                 | 916,578   | 5.0%    | 17,781,606                           | (549,947)   | -3.0%   | 18,140,668                     | (190,885) | -1.0%   | 18,677,920                  | 346,367   | 1.9%    |
| Elementary Schools                             | 20,361,766      | 21,456,419                 | 1,074,651 | 5.3%    | 19,770,315                           | (611,453)   | -3.0%   | 20,169,534                     | (212,234) | -1.0%   | 20,345,434                  | (36,334)  | -0.2%   |
| A-P Regional School District (Assessment)      | 12,574,043      | 14,346,279                 | 1,772,236 | 14.1%   | 12,335,524                           | (238,519)   | -1.9%   | 12,581,813                     | 7,770     | 0.1%    | 13,669,128                  | 1,095,085 | 8.7%    |
| Amherst Pelham RSD Budget                      | 27,776,352      | 29,527,247                 | 1,750,895 | 6.3%    | 26,943,061                           | (833,291)   | -3.0%   | 27,337,033                     | (433,319) | -1.6%   | 28,734,430                  | 958,078   | 3.4%    |
| Jones Library (Tax Support)                    | 1,468,029       | 1,541,430                  | 73,401    | 5.0%    | 1,423,988                            | (44,041)    | -3.0%   | 1,452,742                      | (15,287)  | -1.0%   | 1,521,879                   | 53,850    | 3.7%    |
| Jones Library Budget                           | 2,101,406       | 2,181,111                  | 79,705    | 3.8%    | 2,065,659                            | (37,737)    | -1.8%   | 2,092,423                      | (3,953)   | -0.4%   | 2,161,350                   | 60,154    | 2.9%    |
| Subtotal OPERATING BUDGET                      | 52,755,333      | 56,592,259                 | 3,836,866 | 7.3%    | 51,311,433                           | (1,443,960) | -2.7%   | 52,344,757                     | (410,636) | -0.8%   | 54,214,361                  | 1,458,968 | 2.8%    |
| CAPITAL BUDGET                                 |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| Debt Service - Debt Exclusion                  | 400,837         | 352,466                    | (48,371)  | -12.1%  | 352,466                              | (48,371)    | -12.1%  | 352,466                        | (48,371)  | -12.1%  | 352,466                     | (48,371)  | -12.1%  |
| Other Tax Funded Capital                       | 2,322,456       | 2,399,048                  | 76,592    | 3.3%    | 2,252,782                            | (69,674)    | -3.0%   | 2,298,272                      | (24,184)  | -1.0%   | 2,322,456                   | 0         | 0.0%    |
| % Net Tax Levy                                 | 6.51%           | 6.50%                      |           |         | 6.10%                                |             |         | 6.23%                          |           |         | 5.99%                       |           |         |
| Community Preservation Act (debt service only) | 83,774          | 66,411                     | (17,363)  | -20.7%  | 66,411                               | (17,363)    | -20.7%  | 66,411                         | (17,363)  | -20.7%  | 66,411                      | (17,363)  | -20.7%  |
| Cost Capital (Non-Tax Support)                 | 0               | 277,000                    | 277,000   | #DIV/0! | 277,000                              | 277,000     | #DIV/0! | 277,000                        | 277,000   | #DIV/0! | 277,000                     | 277,000   | #DIV/0! |
| Subtotal CAPITAL                               | 2,807,067       | 3,094,925                  | 287,858   | 10.3%   | 2,984,659                            | 141,592     | 5.0%    | 2,994,149                      | 187,082   | 6.7%    | 3,018,333                   | 211,266   | 7.5%    |
| Miscellaneous                                  | 3,195,649       | 3,321,678                  | 126,029   | 3.9%    | 3,321,678                            | 126,029     | 3.9%    | 3,321,678                      | 126,029   | 3.9%    | 3,321,678                   | 126,029   | 3.9%    |
| Total APPROPRIATIONS                           | 58,758,109      | 63,008,862                 | 4,250,753 | 7.2%    | 57,581,770                           | (1,176,339) | -2.0%   | 58,660,585                     | (97,524)  | -0.2%   | 60,554,372                  | 1,796,263 | 3.1%    |
| Unappropriated Uses                            | 3,023,211       | 3,352,207                  | 328,996   | 10.9%   | 3,352,207                            | 328,996     | 10.9%   | 3,352,207                      | 328,996   | 10.9%   | 3,352,207                   | 328,996   | 10.9%   |
| TOTAL BUDGET PLAN                              | 61,781,320      | 66,361,069                 | 4,579,749 | 7.4%    | 60,933,978                           | (847,342)   | -1.4%   | 62,012,792                     | 231,472   | 0.4%    | 63,906,579                  | 2,125,259 | 3.4%    |
| SURPLUS / (SHORTFALL)                          | (0)             | (4,346,277)                |           |         | 1,078,815                            |             |         | 0                              |           |         | (0)                         |           |         |
| Reduction from FY 11 Level Services Estimate:  |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| OPERATING BUDGET                               |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| Town   |                 |                            |           |         |                                      |             |         |                                |           |         |                             |           |         |
| Elementary Schools                             |                 |                            |           |         | (1,466,525)                          |             |         | (1,107,463)                    |           |         | (570,211)                   |           |         |
| A-P Regional School District (Assessment)      |                 |                            |           |         | (1,686,104)                          |             |         | (1,286,885)                    |           |         | (1,110,985)                 |           |         |
| Amherst Pelham RSD Budget                      |                 |                            |           |         | (2,010,755)                          |             |         | (1,764,465)                    |           |         | (677,151)                   |           |         |
| Jones Library (Tax Support)                    |                 |                            |           |         | (2,594,185)                          |             |         | (2,190,214)                    |           |         | (792,817)                   |           |         |
| Jones Library Budget                           |                 |                            |           |         | (1,174,442)                          |             |         | (88,668)                       |           |         | (19,551)                    |           |         |
| Subtotal OPERATING BUDGET                      |                 |                            |           |         | (5,260,826)                          |             |         | (4,247,826)                    |           |         | (2,377,896)                 |           |         |
| Other Tax Funded Capital                       |                 |                            |           |         | (146,265)                            |             |         | (100,775)                      |           |         | (76,592)                    |           |         |
| TOTAL  |                 |                            |           |         | (5,427,091)                          |             |         | (4,348,277)                    |           |         | (2,454,490)                 |           |         |

TOWN OF AMHERST, MASSACHUSETTS  
FINANCIAL PROJECTIONS - GENERAL FUND

DRAFT For Discussion Purposes Only  
BCG 28-Jan-2010

| FY 11 CUTS & OVERRIDE (if 5% state aid cut in FY 11) |                 |                        |            |           |                    |             |           |                    |            |           |        |
|--|-----------------|------------------------|------------|-----------|--------------------|-------------|-----------|--------------------|------------|-----------|--------|
|  | FY 10<br>Budget | FY 11<br>Cuts/Override | \$<br>Chg  | %<br>Chg  | FY 12<br>Projected | \$<br>Chg   | %<br>Chg  | FY 13<br>Projected | \$<br>Chg  | %<br>Chg  |        |
| REVENUES   |                 |                        |            |           |                    |             |           |                    |            |           |        |
| Base Levy  | 34,439,142      | 35,666,757             | 1,227,615  | 3.6%      | 38,802,213         | 3,135,456   | 8.8%      | 40,272,268         | 1,470,055  | 3.8%      |        |
| 2.5% Allowable Increase                              | 860,979         | 891,669                | 30,690     | 3.6%      | 970,055            | 78,386      | 8.8%      | 1,006,807          | 36,751     | 3.8%      |        |
| Estimated New Growth                                 | 366,636         | 350,000                | (16,636)   | -4.5%     | 500,000            | 150,000     | 42.9%     | 600,000            | 100,000    | 20.0%     |        |
| General Override                                     | 0               | 1,893,787              | 1,893,787  |           | 0                  | (1,893,787) |           | 0                  | 0          |           |        |
| Levy Limit   | 35,666,757      | 38,802,213             | 3,135,456  | 8.8%      | 40,272,268         | 1,470,055   | 3.8%      | 41,879,075         | 1,606,807  | 4.0%      |        |
| Debt Exclusion                                       | 400,837         | 352,466                | (48,371)   | -12.1%    | 305,688            | (46,778)    | -13.3%    | 259,373            | (46,315)   | -15.2%    |        |
| Maximum Allowable Levy                               | 36,067,594      | 39,154,679             | 3,087,085  | 8.6%      | 40,577,956         | 1,423,277   | 3.6%      | 42,138,448         | 1,560,492  | 3.8%      |        |
| Excess Levy Capacity                                 | (8,588)         | 0                      |            |           | 0                  |             |           | 0                  |            |           |        |
| Subtotal PROPERTY TAX                                | 36,059,006      | 39,154,679             | 3,095,673  | 8.6%      | 40,577,956         | 1,423,277   | 3.6%      | 42,138,448         | 1,560,492  | 3.8%      |        |
| Local Receipts                                       | 7,373,016       | 7,808,008              | 434,992    | 5.9%      | 8,178,208          | 370,200     | 4.7%      | 8,482,663          | 304,455    | 3.7%      |        |
| State Aid  | 14,278,972      | 13,607,670             | (671,302)  | -4.7%     | 13,811,785         | 204,115     | 1.5%      | 14,018,962         | 207,177    | 1.5%      |        |
| Other Financing Sources                              | 4,070,326       | 3,336,222              | (734,104)  | -18.0%    | 3,166,295          | (169,927)   | -5.1%     | 3,277,115          | 110,820    | 3.5%      |        |
| TOTAL REVENUES                                       | 61,781,320      | 63,906,579             | 2,125,259  | 3.4%      | 65,734,244         | 1,827,665   | 2.9%      | 67,917,188         | 2,182,944  | 3.3%      |        |
| EXPENDITURES   | %               |                        |            |           |                    |             |           |                    |            |           |        |
| OPERATING BUDGET                                     | FY 10           |                        |            |           |                    |             |           |                    |            |           |        |
| Town   | 33.3%           | 18,331,553             | 18,677,920 | 346,367   | 1.9%               | 19,137,360  | 459,440   | 2.5%               | 19,635,623 | 498,263   | 2.6%   |
| Elementary Schools                                   | 37.0%           | 20,381,768             | 20,345,434 | (36,334)  | -0.2%              | 21,291,364  | 945,930   | 4.6%               | 22,201,511 | 910,147   | 4.3%   |
| A-P Regional School District (Assessment)            | 22.8%           | 12,574,043             | 13,669,128 | 1,095,085 | 8.7%               | 14,549,715  | 880,587   | 6.4%               | 15,249,705 | 699,990   | 4.8%   |
| Amherst Pelham RSD Budget                            |                 | 27,776,352             | 28,734,430 | 958,078   | 3.4%               | 29,673,687  | 939,257   | 3.3%               | 30,713,394 | 1,039,707 | 3.5%   |
| Jones Library (Tax Support)                          | 2.7%            | 1,468,029              | 1,521,879  | 53,850    | 3.7%               | 1,558,404   | 36,525    | 2.4%               | 1,598,923  | 40,519    | 2.6%   |
| Jones Library Budget                                 |                 | 2,101,406              | 2,161,560  | 60,154    | 2.9%               | 2,214,365   | 52,805    | 2.4%               | 2,270,856  | 56,491    | 2.6%   |
| Subtotal OPERATING BUDGET                            | 95.8%           | 52,755,393             | 54,214,361 | 1,458,968 | 2.8%               | 56,536,843  | 2,322,482 | 4.3%               | 58,685,762 | 2,148,919 | 3.8%   |
| CAPITAL BUDGET                                       |                 |                        |            |           |                    |             |           |                    |            |           |        |
| Debt Service - Debt Exclusion                        |                 | 400,837                | 352,466    | (48,371)  | -12.1%             | 305,688     | (46,778)  | -13.3%             | 259,373    | (46,315)  | -15.2% |
| Other Tax Funded Capital                             | 4.2%            | 2,322,456              | 2,322,456  | 0         | 0.0%               | 2,416,336   | 93,880    | 4.0%               | 2,512,744  | 96,408    | 4.0%   |
| % Net Tax Levy                                       | 6.51%           |                        | 5.99%      |           | 6.00%              |             |           | 6.00%              |            |           |        |
| Community Preservation Act (debt service only)       |                 | 83,774                 | 66,411     | (17,363)  | -20.7%             | 63,594      | (2,817)   | -4.2%              | 61,833     | (1,761)   | -2.8%  |
| Cash Capital (Non-Tax Support)                       |                 | 0                      | 277,000    | 277,000   | #DIV/0!            | 0           | (277,000) | -100.0%            | 0          | #DIV/0!   |        |
| Subtotal CAPITAL                                     |                 | 2,807,067              | 3,018,333  | 211,266   | 7.5%               | 2,785,618   | (232,715) | -7.7%              | 2,833,950  | 48,332    | 1.7%   |
| Miscellaneous  |                 | 3,195,649              | 3,321,678  | 126,029   | 3.9%               | 3,437,937   | 116,259   | 3.5%               | 3,558,264  | 120,328   | 3.5%   |
| Total APPROPRIATIONS                                 | 100.0%          | 58,758,109             | 60,554,372 | 1,796,263 | 3.1%               | 62,760,398  | 2,206,026 | 3.6%               | 65,077,976 | 2,317,579 | 3.7%   |
| Unappropriated Uses                                  |                 | 3,023,211              | 3,352,207  | 328,996   | 10.9%              | 3,519,818   | 167,610   | 5.0%               | 3,695,809  | 175,991   | 5.0%   |
| TOTAL BUDGET PLAN                                    |                 | 61,781,320             | 63,906,579 | 2,125,259 | 3.4%               | 66,280,215  | 2,373,636 | 3.7%               | 68,773,785 | 2,493,570 | 3.8%   |
| SURPLUS / (SHORTFALL)                                | (0)             |                        | (0)        |           | (545,971)          |             |           | (856,597)          |            |           |        |

TOWN OF AMHERST, MASSACHUSETTS  
FINANCIAL PROJECTIONS - GENERAL FUND

DRAFT For Discussion Purposes Only  
BCG 28-Jan-2010

| FY 11 CUTS & OVERRIDE (if no state aid cut in FY 11) |                 |                        |            |           |                    |             |           |                    |            |           |        |
|--|-----------------|------------------------|------------|-----------|--------------------|-------------|-----------|--------------------|------------|-----------|--------|
|  | FY 10<br>Budget | FY 11<br>Cuts/Override | \$<br>Chg  | %<br>Chg  | FY 12<br>Projected | \$<br>Chg   | %<br>Chg  | FY 13<br>Projected | \$<br>Chg  | %<br>Chg  |        |
| REVENUES   |                 |                        |            |           |                    |             |           |                    |            |           |        |
| Base Levy  | 34,439,142      | 35,666,757             | 1,227,615  | 3.6%      | 38,802,213         | 3,135,456   | 8.8%      | 40,272,268         | 1,470,055  | 3.8%      |        |
| 2.5% Allowable Increase                              | 860,979         | 891,669                | 30,690     | 3.6%      | 970,055            | 78,386      | 8.8%      | 1,006,807          | 36,751     | 3.8%      |        |
| Estimated New Growth                                 | 366,636         | 350,000                | (16,636)   | -4.5%     | 500,000            | 150,000     | 42.9%     | 600,000            | 100,000    | 20.0%     |        |
| General Override                                     | 0               | 1,893,787              | 1,893,787  |           | 0                  | (1,893,787) |           | 0                  | 0          |           |        |
| Levy Limit   | 35,666,757      | 38,802,213             | 3,135,456  | 8.8%      | 40,272,268         | 1,470,055   | 3.8%      | 41,879,075         | 1,606,807  | 4.0%      |        |
| Debt Exclusion                                       | 400,837         | 352,466                | (48,371)   | -12.1%    | 305,688            | (46,778)    | -13.3%    | 259,373            | (46,315)   | -15.2%    |        |
| Maximum Allowable Levy                               | 36,067,594      | 39,154,679             | 3,087,085  | 8.6%      | 40,577,956         | 1,423,277   | 3.6%      | 42,138,448         | 1,560,492  | 3.8%      |        |
| Excess Levy Capacity                                 | (8,588)         | 0                      |            |           | 0                  |             |           | 0                  |            |           |        |
| Subtotal PROPERTY TAX                                | 36,059,006      | 39,154,679             | 3,095,673  | 8.6%      | 40,577,956         | 1,423,277   | 3.6%      | 42,138,448         | 1,560,492  | 3.8%      |        |
| Local Receipts                                       | 7,373,016       | 7,808,008              | 434,992    | 5.9%      | 8,178,208          | 370,200     | 4.7%      | 8,482,663          | 304,455    | 3.7%      |        |
| State Aid  | 14,278,972      | 14,278,972             | 0          | 0.0%      | 14,493,157         | 214,185     | 1.5%      | 14,710,554         | 217,397    | 1.5%      |        |
| Other Financing Sources                              | 4,070,326       | 3,336,222              | (734,104)  | -18.0%    | 3,166,295          | (169,927)   | -5.1%     | 3,277,115          | 110,820    | 3.5%      |        |
| TOTAL REVENUES                                       | 61,781,320      | 64,577,881             | 2,796,561  | 4.5%      | 66,415,616         | 1,837,735   | 2.8%      | 68,608,780         | 2,193,165  | 3.3%      |        |
| EXPENDITURES   |                 |                        |            |           |                    |             |           |                    |            |           |        |
| OPERATING BUDGET                                     | %<br>FY 10      |                        |            |           |                    |             |           |                    |            |           |        |
| TOWN   | 33.3%           | 18,331,553             | 18,677,920 | 346,367   | 1.9%               | 19,137,360  | 459,440   | 2.5%               | 19,635,623 | 498,263   | 2.6%   |
| Elementary Schools                                   | 37.0%           | 20,381,768             | 20,345,434 | (36,334)  | -0.2%              | 21,291,364  | 945,930   | 4.6%               | 22,201,511 | 910,147   | 4.3%   |
| A-P Regional School District (Assessment)            | 22.8%           | 12,574,043             | 13,292,296 | 718,253   | 5.7%               | 14,167,230  | 874,934   | 6.6%               | 14,861,481 | 694,251   | 4.9%   |
| Amherst Pelham RSD Budget                            |                 | 27,776,352             | 28,734,430 | 958,078   | 3.4%               | 29,673,687  | 939,257   | 3.3%               | 30,713,394 | 1,039,707 | 3.5%   |
| Jones Library (Tax Support)                          | 2.7%            | 1,468,029              | 1,521,879  | 53,850    | 3.7%               | 1,558,404   | 36,525    | 2.4%               | 1,598,923  | 40,519    | 2.6%   |
| Jones Library Budget                                 |                 | 2,101,406              | 2,161,560  | 60,154    | 2.9%               | 2,214,365   | 52,805    | 2.4%               | 2,270,856  | 56,491    | 2.6%   |
| Subtotal OPERATING BUDGET                            | 95.8%           | 52,755,393             | 53,837,529 | 1,082,136 | 2.1%               | 56,154,358  | 2,316,829 | 4.3%               | 58,297,538 | 2,143,180 | 3.8%   |
| CAPITAL BUDGET                                       |                 |                        |            |           |                    |             |           |                    |            |           |        |
| Debt Service - Debt Exclusion                        |                 | 400,837                | 352,466    | (48,371)  | -12.1%             | 305,688     | (46,778)  | -13.3%             | 259,373    | (46,315)  | -15.2% |
| Other Tax Funded Capital                             | 4.2%            | 2,322,456              | 2,322,456  | 0         | 0.0%               | 2,416,336   | 93,880    | 4.0%               | 2,512,744  | 96,408    | 4.0%   |
| % Net Tax Levy                                       | 6.51%           |                        | 5.99%      |           | 6.00%              |             |           | 6.00%              |            |           |        |
| Community Preservation Act (debt service only)       |                 | 83,774                 | 66,411     | (17,363)  | -20.7%             | 63,594      | (2,817)   | -4.2%              | 61,833     | (1,761)   | -2.8%  |
| Cash Capital (Non-Tax Support)                       |                 | 0                      | 277,000    | 277,000   | #DIV/0!            | 0           | (277,000) | -100.0%            | 0          | #DIV/0!   |        |
| Subtotal CAPITAL                                     |                 | 2,807,067              | 3,018,333  | 211,266   | 7.5%               | 2,785,618   | (232,715) | -7.7%              | 2,833,950  | 48,332    | 1.7%   |
| Miscellaneous  |                 | 3,195,649              | 3,321,678  | 126,029   | 3.9%               | 3,437,937   | 116,259   | 3.5%               | 3,558,264  | 120,328   | 3.5%   |
| Total APPROPRIATIONS                                 | 100.0%          | 58,758,109             | 60,177,540 | 1,419,431 | 2.4%               | 62,377,913  | 2,200,373 | 3.7%               | 64,689,752 | 2,311,840 | 3.7%   |
| Unappropriated Uses                                  |                 | 3,023,211              | 3,352,207  | 328,996   | 10.9%              | 3,519,818   | 167,610   | 5.0%               | 3,695,809  | 175,991   | 5.0%   |
| TOTAL BUDGET PLAN                                    |                 | 61,781,320             | 63,529,747 | 1,748,427 | 2.8%               | 65,897,730  | 2,336,983 | 3.7%               | 68,385,561 | 2,487,831 | 3.8%   |
| SURPLUS / (SHORTFALL)                                |                 | (0)                    | 1,048,134  |           |                    | 517,885     |           |                    | 223,219    |           |        |

## Town of Amherst (General Fund) FY2011 Budget Process

## Projections

Amherst

1/27/2010

**Total FY11 Budget**

|                    |                 |
|--------------------|-----------------|
|                    | -5% State Aid   |
| FY11 Budget cut to | Cuts & Override |
| Total FY11 Budget  | 18,677,919      |

**Total FY12 Budget**

|                     |            |
|---------------------|------------|
| Salaries & Expenses | 19,013,576 |
| 1.0% COLA           | 123,784    |

|                   |            |
|-------------------|------------|
| Total FY12 Budget | 19,137,360 |
|-------------------|------------|

|                 |         |
|-----------------|---------|
| Budget Increase | 459,441 |
|                 | 2.5%    |

**Total FY13 Budget**

|                     |            |
|---------------------|------------|
| Salaries & Expenses | 19,509,510 |
| 1.0% COLA           | 126,112    |

|                   |            |
|-------------------|------------|
| Total FY13 Budget | 19,635,623 |
|-------------------|------------|

|                 |         |
|-----------------|---------|
| Budget Increase | 498,262 |
|                 | 2.6%    |

The 1% COLA is included here for illustrative purposes only. It represents a sample of what might result from the negotiations process. No assumption should be made that this 1% is either an opening or ending offer for COLA increases.

Amherst Elementary School District  
FY2011 Budget Process

Initial FY2012 Projections

Amherst

1/27/2010



**Total FY11 Budget**

|   |                             | "Estimated<br>Available Funds" | 3% Expense Cut | -5% State,<br>1st level cuts |
|---|-----------------------------|--------------------------------|----------------|------------------------------|
| FY11 Budget cut to<br>Total FY11 Budget | Level Funding<br>20,381,768 | 19,933,369                     | 19,770,315     | 20,345,434                   |

**Total FY12 Budget**

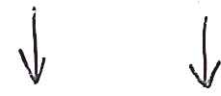
|                     |                   |                   |                   |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries & Expenses | 21,195,884        | 20,742,015        | 20,576,971        | 21,159,107        |
| 1.0% COLA           | 133,358           | 128,774           | 127,143           | 132,257           |
| Total FY12 Budget   | <u>21,329,242</u> | <u>20,870,789</u> | <u>20,704,114</u> | <u>21,291,364</u> |
| Budget Increase     | 947,474<br>4.6%   | 937,420<br>4.7%   | 933,799<br>4.7%   | 945,930<br>4.6%   |

**Total FY13 Budget**

|                     |                   |                   |                   |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries & Expenses | 22,104,328        | 21,641,327        | 21,473,036        | 22,065,359        |
| 1.0% COLA           | 137,277           | 132,591           | 130,925           | 136,152           |
| Total FY13 Budget   | <u>22,241,605</u> | <u>21,773,918</u> | <u>21,603,961</u> | <u>22,201,511</u> |
| Budget Increase     | 912,363<br>4.3%   | 903,129<br>4.3%   | 899,847<br>4.3%   | 910,147<br>4.3%   |

The 1% COLA is included here for illustrative purposes only.  
It represents a sample of what might result from the negotiations process. No  
assumption should be made that this 1% is either an opening or ending offer for COLA  
increases.

**Amherst-Pelham Regional School District  
FY2011 Budget Process**



| Region                                    | Initial FY2012 Projections |                             |                |                           |                           | 1/27/2010 |
|---|----------------------------|-----------------------------|----------------|---------------------------|---------------------------|-----------|
|   | Level Funding              | "Estimated Available Funds" | 3% Expense Cut | -5% State, 1st level cuts | -0% State, 1st level cuts |           |
| <b>FY11 Budget</b>                        |                            |                             |                |                           |                           |           |
| Chapter 70                                | 0%                         | -10%                        | -10%           | -5%                       | 0%                        |           |
| Cuts to FY10 Budget                       | nf                         | -2.2%                       | -3.0%          | nf                        | nf                        |           |
| Amherst Assessment                        | 0%                         | nf                          | nf             | nf                        | nf                        |           |
| Budget                                    | 27,599,209                 | 27,165,272                  | 26,943,061     | 28,734,430                | 28,734,430                |           |
| Amherst Assessment                        | 12,588,737                 | 13,005,996                  | 12,833,093     | 13,669,128                | 13,292,296                |           |
|   | 0.0%                       | 3.4%                        | 2.1%           | 8.7%                      | 5.7%                      |           |
| <b>FY12 Budget</b>                        |                            |                             |                |                           |                           |           |
| Salaries & Expenses                       | 28,406,645                 | 27,926,416                  | 27,700,983     | 29,518,327                | 29,518,327                |           |
| 1.0% COLA                                 | 145,255                    | 140,868                     | 138,646        | 155,360                   | 155,360                   |           |
| Total Budget                              | 28,551,900                 | 28,067,284                  | 27,839,629     | 29,673,687                | 29,673,687                |           |
|   | 3.5%                       | 3.3%                        | 3.3%           | 3.3%                      | 3.3%                      |           |
| Amherst Assessment                        | 13,444,085                 | 13,863,099                  | 13,685,960     | 14,549,715                | 14,167,230                |           |
| Assessment Increase                       | 855,348                    | 857,103                     | 852,867        | 880,587                   | 874,934                   |           |
|   | 6.8%                       | 6.6%                        | 6.6%           | 6.4%                      | 6.6%                      |           |
| Effect of 1.0% COLA on Amherst Assessment | 113,023                    | 109,609                     | 107,880        | 115,094                   | 120,886                   |           |
| <b>FY13 Budget</b>                        |                            |                             |                |                           |                           |           |
| Salaries & Expenses                       | 29,378,699                 | 28,929,197                  | 28,699,039     | 30,553,269                | 30,553,269                |           |
| 1.0% COLA                                 | 149,773                    | 145,278                     | 143,002        | 160,125                   | 160,125                   |           |
| Total Budget                              | 29,528,472                 | 29,074,475                  | 28,842,041     | 30,713,394                | 30,713,394                |           |
|   | 3.4%                       | 3.6%                        | 3.6%           | 3.5%                      | 3.5%                      |           |
| Amherst Assessment                        | 14,120,334                 | 14,543,523                  | 14,362,666     | 15,249,705                | 14,861,481                |           |
| Assessment Increase                       | 676,249                    | 680,424                     | 676,706        | 699,990                   | 694,251                   |           |
|   | 5.0%                       | 4.9%                        | 4.9%           | 4.8%                      | 4.9%                      |           |
| Effect of 1.0% COLA on Amherst Assessment | 116,538                    | 113,041                     | 111,270        | 118,803                   | 124,593                   |           |

The 1% COLA is included here for illustrative purposes only. It represents a sample of what might result from the negotiations process. No assumption should be made that this 1% is either an opening or ending offer for COLA increases.

Library Services - Town of Amherst  
FY2011 Budget Process

Projections

Amherst

1/27/2010

**Total FY11 Budget**

|                    |                 |
|--------------------|-----------------|
|                    | -5% State Aid   |
| FY11 Budget cut to | Cuts & Override |
| Total FY11 Budget  | 2,161,560       |

**Total FY12 Budget**

|                     |           |
|---------------------|-----------|
| Salaries & Expenses | 2,201,297 |
| 1.0% COLA           | 13,067    |

|                   |                  |
|-------------------|------------------|
| Total FY12 Budget | <u>2,214,364</u> |
|-------------------|------------------|

|                 |        |
|-----------------|--------|
| Budget Increase | 52,804 |
|                 | 2.4%   |

**Total FY13 Budget**

|                     |           |
|---------------------|-----------|
| Salaries & Expenses | 2,257,609 |
| 1.0% COLA           | 13,247    |

|                   |                  |
|-------------------|------------------|
| Total FY13 Budget | <u>2,270,856</u> |
|-------------------|------------------|

|                 |        |
|-----------------|--------|
| Budget Increase | 56,492 |
|                 | 2.6%   |

## How Much Would an Override Cost?

The following charts show how each scenario would effect various residential taxpayers with representative assessed valuations. The charts also show the net effect of tax increases accounting for the Federal deduction in the various tax brackets, assuming a taxpayer was able to take advantage of this deduction.

Estimated Increased Taxes Given Various Override Scenarios  
Showing FY 2010 Taxes Plus Incremental Taxes Paid at Various Federal Tax Brackets

| Override of \$1,900,000   |           |                   | ESTIMATED COST OF OVERRIDE |       |       |       |       |       |
|---|-----------|-------------------|----------------------------|-------|-------|-------|-------|-------|
|   | Value     | FY 10<br>Tax Bill | Federal Tax Bracket        |       |       |       |       |       |
|   |           |                   | 0%                         | 15%   | 25%   | 28%   | 33%   | 35%   |
| <b>Single Family Home</b>   |           |                   |                            |       |       |       |       |       |
| Mean  | \$334,600 | \$5,671           | \$298                      | \$253 | \$223 | \$214 | \$200 | \$194 |
| 25% Quartile  | \$255,300 | \$4,327           | \$227                      | \$193 | \$170 | \$164 | \$152 | \$148 |
| Median  | \$303,600 | \$5,146           | \$270                      | \$230 | \$203 | \$195 | \$181 | \$176 |
| 75% Quartile  | \$384,900 | \$6,524           | \$343                      | \$291 | \$257 | \$247 | \$230 | \$223 |
| <b>Residential Condos</b>   |           |                   |                            |       |       |       |       |       |
| Mean  | \$175,200 | \$2,970           | \$156                      | \$133 | \$117 | \$112 | \$104 | \$101 |
| 25% Quartile  | \$130,600 | \$2,214           | \$116                      | \$99  | \$87  | \$84  | \$78  | \$76  |
| Median  | \$159,300 | \$2,700           | \$142                      | \$121 | \$106 | \$102 | \$95  | \$92  |
| 75% Quartile  | \$208,500 | \$3,534           | \$186                      | \$158 | \$139 | \$134 | \$124 | \$121 |
| <b>2 Family Median</b>  | \$358,400 | \$6,075           | \$319                      | \$271 | \$239 | \$230 | \$214 | \$207 |
| <b>3 Family Median</b>  | \$360,700 | \$6,114           | \$321                      | \$273 | \$241 | \$231 | \$215 | \$209 |
| The 0% column ( the actual tax increase) should be used by taxpayers who do not itemize or are subject to the Federal Alternative Minimum Alternative Tax ( AMT ) |           |                   |                            |       |       |       |       |       |

| Override Impact of +/- \$100,000  |           |                   | ESTIMATED COST OF OVERRIDE |      |      |      |      |      |
|---|-----------|-------------------|----------------------------|------|------|------|------|------|
|   | Value     | FY 10<br>Tax Bill | Federal Tax Bracket        |      |      |      |      |      |
|   |           |                   | 0%                         | 15%  | 25%  | 28%  | 33%  | 35%  |
| <b>Single Family Home</b>   |           |                   |                            |      |      |      |      |      |
| Mean  | \$334,600 | \$5,671           | \$17                       | \$14 | \$13 | \$12 | \$11 | \$11 |
| 25% Quartile  | \$255,300 | \$4,327           | \$13                       | \$11 | \$10 | \$9  | \$9  | \$8  |
| Median  | \$303,600 | \$5,146           | \$15                       | \$13 | \$11 | \$11 | \$10 | \$10 |
| 75% Quartile  | \$384,900 | \$6,524           | \$19                       | \$16 | \$14 | \$14 | \$13 | \$13 |
| <b>Residential Condos</b>   |           |                   |                            |      |      |      |      |      |
| Mean  | \$175,200 | \$2,970           | \$9                        | \$7  | \$7  | \$6  | \$6  | \$6  |
| 25% Quartile  | \$130,600 | \$2,214           | \$7                        | \$6  | \$5  | \$5  | \$4  | \$4  |
| Median  | \$159,300 | \$2,700           | \$8                        | \$7  | \$6  | \$6  | \$5  | \$5  |
| 75% Quartile  | \$208,500 | \$3,534           | \$10                       | \$9  | \$8  | \$8  | \$7  | \$7  |
| <b>2 Family Median</b>  | \$358,400 | \$6,075           | \$18                       | \$15 | \$13 | \$13 | \$12 | \$12 |
| <b>3 Family Median</b>  | \$360,700 | \$6,114           | \$18                       | \$15 | \$14 | \$13 | \$12 | \$12 |
| The 0% column ( the actual tax increase) should be used by taxpayers who do not itemize or are subject to the Federal Alternative Minimum Alternative Tax ( AMT ) |           |                   |                            |      |      |      |      |      |

Source: Town of Amherst Finance Department

# Appendix D

## SEQUENCING OPTIONS

*DOR -  
Prop 2 1/2 Ballot Questions:  
Requirements & Procedures*

| <u>Number 1</u><br><b>Election - Appropriation</b>   | <u>Number 2</u><br><b>Appropriation - Election</b>   | <u>Number 3</u><br><b>Contingent Appropriation - Election<br/>Towns Only</b>   |
|--|--|--|
| <b>Referendum election held</b> <ul style="list-style-type: none"> <li>• Annual or special municipal</li> <li>• State biennial</li> </ul>  | <b>Appropriation made by town meeting or city/town council</b> <ul style="list-style-type: none"> <li>• Annual or special</li> </ul>   | <b>Appropriation made by town meeting</b> <ul style="list-style-type: none"> <li>• Annual or special</li> </ul>  |
| <b>Appropriation made by town meeting or city/town council</b> <ul style="list-style-type: none"> <li>• Annual or special</li> </ul>   | <b>Referendum election held</b> <ul style="list-style-type: none"> <li>• Annual or special municipal</li> <li>• State biennial</li> </ul>  | <b>Referendum election held</b> <ul style="list-style-type: none"> <li>• Annual or special municipal, state biennial</li> <li>• Referendum deadline: <ul style="list-style-type: none"> <li>• September 15 for appropriations made at annual town meeting</li> <li>• 90 days after special town meeting dissolves for appropriations made at that meeting</li> </ul> </li> </ul>   |
| <b>If referendum passes and appropriation fails</b> <ul style="list-style-type: none"> <li>• Referendum is valid</li> <li>• If override/capital exclusion, have until tax rate set to appropriate for same purpose</li> <li>• If debt exclusion, have reasonable time to authorize debt for same project</li> </ul>  | <b>If referendum passes and appropriation fails</b> <ul style="list-style-type: none"> <li>• Referendum is valid</li> <li>• If override/capital exclusion, have until tax rate set to appropriate for same purpose</li> <li>• If debt exclusion, have reasonable time to authorize debt for same project</li> </ul>  | <b>If referendum passes</b> <ul style="list-style-type: none"> <li>• No further action required - appropriation validated and tax increase approved to cover expenditure</li> </ul>  |
| <b>If appropriation passes and referendum fails</b> <ul style="list-style-type: none"> <li>• Appropriation is valid</li> <li>• Budget must be adjusted within levy limit by time tax rate set (to balance budget, town meeting or city/town council may cut any budget item, not just referendum purpose, and/or community may raise non-tax revenues)</li> <li>• Referendum may be presented again</li> </ul> | <b>If appropriation passes and referendum fails</b> <ul style="list-style-type: none"> <li>• Appropriation is valid</li> <li>• Budget must be adjusted within levy limit by time tax rate set (to balance budget, town meeting or city/town council may cut any budget item, not just referendum purpose, and/or community may raise non-tax revenues)</li> <li>• Referendum may be presented again</li> </ul> | <b>If referendum fails</b> <ul style="list-style-type: none"> <li>• No further action required - appropriation null and void</li> <li>• Referendum may be presented at other elections, but must be approved by: <ul style="list-style-type: none"> <li>• September 15 for appropriations made at annual town meeting</li> <li>• 90 days after special town meeting dissolves for appropriations made at that meeting</li> </ul> </li> </ul> |
| <b>If referendum and appropriation both pass or both fail</b> <ul style="list-style-type: none"> <li>• No further action required</li> </ul>   | <b>If referendum and appropriation both pass or both fail</b> <ul style="list-style-type: none"> <li>• No further action required</li> </ul>   | <b>If referendum not held by deadline</b> <ul style="list-style-type: none"> <li>• Appropriation null and void</li> </ul>  |